



# House of Representatives

General Assembly

**File No. 285**

*January Session, 2013*

Substitute House Bill No. 6341

*House of Representatives, April 2, 2013*

The Committee on Judiciary reported through REP. FOX, G. of the 146th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT ADOPTING THE UNIFORM CERTIFICATE OF TITLE FOR VESSELS ACT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2015*) Sections 1 to 32,  
2 inclusive, of this act may be cited as the Uniform Certificate of Title for  
3 Vessels Act.

4 Sec. 2. (NEW) (*Effective January 1, 2015*) As used in sections 1 to 32,  
5 inclusive, of this act:

6 (1) "Barge" means a vessel that is not self-propelled or fitted for  
7 propulsion by sail, paddle, oar or similar device;

8 (2) "Builder's certificate" means a certificate of the facts of build of a  
9 vessel described in 46 CFR 67.99;

10 (3) "Buyer" means a person that buys or contracts to buy a vessel;

11 (4) "Cancel", with respect to a certificate of title, means to make the

12 certificate of title ineffective;

13 (5) "Certificate of origin" means a record created by a manufacturer  
14 or importer as the manufacturer's or importer's proof of identity of a  
15 vessel. "Certificate of origin" includes a manufacturer's certificate or  
16 statement of origin and an importer's certificate or statement of origin.  
17 "Certificate of origin" does not include a builder's certificate;

18 (6) "Certificate of title" means a record, created by the Department of  
19 Motor Vehicles pursuant to section 8 of this act or by a governmental  
20 agency of another jurisdiction under the law of that jurisdiction, that is  
21 designated as a certificate of title by the department or such agency  
22 and is evidence of ownership of a vessel;

23 (7) "Commissioner" means the Commissioner of Motor Vehicles;

24 (8) "Dealer" means a person, including a manufacturer, in the  
25 business of selling vessels;

26 (9) "Department" means the Department of Motor Vehicles;

27 (10) "Documented vessel" means a vessel covered by a certificate of  
28 documentation issued pursuant to 46 USC 12105. "Documented vessel"  
29 does not include a foreign-documented vessel;

30 (11) "Electronic" means relating to technology having electrical,  
31 digital, magnetic, wireless, optical, electromagnetic or similar  
32 capabilities;

33 (12) "Electronic certificate of title" means a certificate of title  
34 consisting of information that is stored solely in an electronic medium  
35 and is retrievable in perceivable form;

36 (13) "Foreign-documented vessel" means a vessel the ownership of  
37 which is recorded in a registry maintained by a country other than the  
38 United States that identifies each person that has an ownership interest  
39 in such vessel and includes a unique alphanumeric designation for the  
40 vessel;

41 (14) "Good faith" means honesty in fact and the observance of  
42 reasonable commercial standards of fair dealing;

43 (15) "Hull identification number" means the alphanumeric  
44 designation assigned to a vessel pursuant to 33 CFR 181, as amended;

45 (16) "Lien creditor", with respect to a vessel, means:

46 (A) A creditor that has acquired a lien on the vessel by attachment,  
47 levy or the like;

48 (B) An assignee for benefit of creditors from the time of assignment;

49 (C) A trustee in bankruptcy from the date of the filing of the  
50 petition; or

51 (D) A receiver in equity from the time of appointment;

52 (17) "Owner" means a person with legal title to a vessel;

53 (18) "Owner of record" means the owner indicated in the files of the  
54 department or, if the files indicate more than one owner, the owner  
55 first indicated;

56 (19) "Person" means an individual; corporation; business trust;  
57 estate; trust; statutory trust; partnership; limited liability company;  
58 association; joint venture; public corporation; government or  
59 governmental subdivision, agency or instrumentality; or any other  
60 legal or commercial entity;

61 (20) "Purchase" means to take by sale, lease, mortgage, pledge,  
62 consensual lien, security interest, gift or any other voluntary  
63 transaction that creates an interest in a vessel;

64 (21) "Purchaser" means a person that takes by purchase;

65 (22) "Record" means information inscribed on a tangible medium or  
66 stored in an electronic or other medium that is retrievable in  
67 perceivable form;

68       (23) "Secured party", with respect to a vessel, means a person:

69       (A) In whose favor a security interest is created or provided for  
70 under a security agreement, whether or not any obligation to be  
71 secured is outstanding;

72       (B) Who is a consignor under article 9 of title 42a of the general  
73 statutes; or

74       (C) Who holds a security interest arising under section 42a-2-401,  
75 section 42a-2-505, subdivision (3) of section 42a-2-711 or subsection (d)  
76 of section 42a-2A-724 of the general statutes;

77       (24) "Secured party of record" means the secured party whose name  
78 is indicated as the name of the secured party in the files of the  
79 department or, if the files indicate more than one secured party, the  
80 one first indicated;

81       (25) "Security interest" means an interest in a vessel that secures  
82 payment or performance of an obligation if the interest is created by  
83 contract or arises pursuant to section 42a-2-401, section 42a-2-505,  
84 subdivision (3) of section 42a-2-711 or subsection (d) of section 42a-2A-  
85 724 of the general statutes, including, but not limited to, any interest of  
86 a consignor in a vessel in a transaction that is subject to article 9 of title  
87 42a of the general statutes. "Security interest" does not include the  
88 special property interest of a buyer of a vessel on identification of that  
89 vessel to a contract for sale pursuant to section 42a-2-401 of the general  
90 statutes, but a buyer may also acquire a security interest by complying  
91 with article 9 of title 42a of the general statutes. Except as otherwise  
92 provided in section 42a-2-505 of the general statutes, the right of a  
93 seller or lessor of a vessel under article 2 of title 42a of the general  
94 statutes or article 2A of title 42a of the general statutes to retain or  
95 acquire possession of the vessel is not a security interest, but a seller or  
96 lessor also may acquire a security interest by complying with article 9  
97 of title 42a of the general statutes. The retention or reservation of title  
98 by a seller of a vessel notwithstanding shipment or delivery to the  
99 buyer under section 42a-2-401 of the general statutes is limited in effect

100 to a reservation of a security interest. Whether a transaction in the form  
101 of a lease creates a security interest is determined by section 42a-1-203  
102 of the general statutes;

103 (26) "Sign" means, with present intent to authenticate or adopt a  
104 record, to:

105 (A) Make or adopt a tangible symbol; or

106 (B) Attach to or logically associate with the record an electronic  
107 symbol, sound or process;

108 (27) "State" means a state of the United States, the District of  
109 Columbia, Puerto Rico, the United States Virgin Islands, or any  
110 territory or insular possession subject to the jurisdiction of the United  
111 States;

112 (28) "State of principal use" means the state on whose waters a  
113 vessel is or will be used, operated, navigated or employed more than  
114 on the waters of any other state during a calendar year;

115 (29) "Title brand" means a designation of previous damage, use or  
116 condition that is set forth on a certificate of title issued by another state  
117 or other statement which shall be indicated on a certificate of title in  
118 accordance with the provisions of section 9 of this act and any  
119 regulations adopted by the Commissioner of Motor Vehicles under  
120 section 29 of this act;

121 (30) "Transfer of ownership" means a voluntary or involuntary  
122 conveyance of an interest in a vessel;

123 (31) "Vessel" means every description of watercraft, other than a  
124 seaplane on water, used or capable of being used as a means of  
125 transportation on water;

126 (32) "Vessel number" means the alphanumeric designation for a  
127 vessel issued pursuant to 46 USC 12301 and chapter 268 of the general  
128 statutes;

129       (33) "Written certificate of title" means a certificate of title consisting  
130 of information inscribed on a tangible medium;

131       (34) "Agreement" has the same meaning as provided in subdivision  
132 (3) of subsection (b) of section 42a-1-201 of the general statutes;

133       (35) "Buyer in ordinary course of business" has the same meaning as  
134 provided in subdivision (9) of subsection (b) of section 42a-1-201 of the  
135 general statutes;

136       (36) "Consumer goods" has the same meaning as provided in  
137 subdivision (23) of subsection (a) of section 42a-9-102 of the general  
138 statutes;

139       (37) "Debtor" has the same meaning as provided in subdivision (28)  
140 of subsection (a) of section 42a-9-102 of the general statutes;

141       (38) "Knowledge" has the same meaning as provided in section 42a-  
142 1-202 of the general statutes;

143       (39) "Lease" has the same meaning as provided in subdivision (17)  
144 of subsection (a) of section 42a-2A-102 of the general statutes;

145       (40) "Lessor" has the same meaning as provided in subdivision (23)  
146 of subsection (a) of section 42a-2A-102 of the general statutes;

147       (41) "Notice" has the same meaning as provided in section 42a-1-202  
148 of the general statutes;

149       (42) "Sale" has the same meaning as provided in subdivision (1) of  
150 section 42a-2-106 of the general statutes;

151       (43) "Security agreement" has the same meaning as provided in  
152 subdivision (74) of subsection (a) of section 42a-9-102 of the general  
153 statutes;

154       (44) "Seller" has the same meaning as provided in subdivision (1) of  
155 section 42a-2-103 of the general statutes;

156 (45) "Send" has the same meaning as provided in subdivision (36) of  
157 subsection (b) of section 42a-1-201 of the general statutes; and

158 (46) "Value" has the same meaning as provided in section 42a-1-204  
159 of the general statutes.

160 Sec. 3. (NEW) (*Effective January 1, 2015*) Subject to section 27 of this  
161 act, the provisions of sections 1 to 32, inclusive, of this act shall apply  
162 to any transaction, certificate of title or record relating to a vessel, even  
163 if the transaction, certificate of title or record was entered into or  
164 created before January 1, 2015.

165 Sec. 4. (NEW) (*Effective January 1, 2015*) Unless displaced by a  
166 provision of sections 1 to 32, inclusive, of this act, the principles of law  
167 and equity supplement said sections.

168 Sec. 5. (NEW) (*Effective January 1, 2015*) (a) The local law of the  
169 jurisdiction under whose certificate of title a vessel is covered governs  
170 all issues relating to the certificate of title from the time the vessel  
171 becomes covered by the certificate of title until the vessel becomes  
172 covered by another certificate of title or becomes a documented vessel,  
173 even if no other relationship exists between the jurisdiction and the  
174 vessel or its owner.

175 (b) A vessel becomes covered by a certificate of title when an  
176 application for the certificate of title and the applicable fee are  
177 delivered to the Department of Motor Vehicles in accordance with  
178 sections 6 and 7 of this act or to the governmental agency that creates a  
179 certificate of title in another jurisdiction in accordance with the law of  
180 that jurisdiction.

181 Sec. 6. (NEW) (*Effective January 1, 2015*) (a) Except as otherwise  
182 provided in subsections (b) and (c) of this section, the owner of a vessel  
183 for which Connecticut is the state of principal use shall deliver to the  
184 Department of Motor Vehicles an application for a certificate of title for  
185 the vessel, with the applicable fee, not later than twenty days after the  
186 later of:

- 187       (1) The date of a transfer of ownership; or
- 188       (2) The date this state becomes the state of principal use.
- 189       (b) An application for a certificate of title is not required and shall  
190 not be accepted, and no certificate of title shall be issued, for:
- 191       (1) A documented vessel;
- 192       (2) A foreign-documented vessel;
- 193       (3) A barge;
- 194       (4) An amphibious vehicle for which a certificate of title is issued  
195 pursuant to chapter 247 of the general statutes or a similar statute of  
196 another state;
- 197       (5) A vessel, other than a motorboat, as defined in section 15-141 of  
198 the general statutes, less than nineteen and one-half feet in length;
- 199       (6) A vessel propelled solely by paddle or oar;
- 200       (7) A vessel that operates only on a permanently fixed,  
201 manufactured course and the movement of which is restricted to or  
202 guided by means of a mechanical device to which the watercraft is  
203 attached or by which the watercraft is controlled;
- 204       (8) A vessel owned by the United States, a foreign government or a  
205 state, or a political subdivision thereof, which is used in the  
206 performance of governmental functions;
- 207       (9) A vessel used solely as a lifeboat on another watercraft;
- 208       (10) A vessel before delivery if the vessel is under construction or  
209 completed pursuant to contract;
- 210       (11) A vessel held by a dealer for sale or lease;
- 211       (12) A stationary floating structure that:



212 (A) Does not have and is not designed to have a mode of propulsion  
213 of its own;

214 (B) Is dependent for utilities upon a continuous utility hookup to a  
215 source originating on shore; and

216 (C) Has no sewage facilities or has a permanent, continuous hookup  
217 to a shoreside sewage system; or

218 (13) A vessel designated by the manufacturer as having a model  
219 year of 2015 or earlier, and any vessel manufactured or assembled  
220 prior to January 1, 2016, for which the manufacturer or assembler has  
221 not designated a model year, other than the following vessels,  
222 provided such vessels are not subject to any exception provided in  
223 subdivisions (1) to (12), inclusive, of this subsection:

224 (A) A vessel for which a certificate of title has been issued by  
225 another state when this state has become the state of principal use for  
226 the vessel; or

227 (B) A vessel having this state as the state of principal use that was a  
228 documented vessel or a foreign documented vessel when it becomes  
229 no longer a documented vessel or a foreign documented vessel.

230 (c) The department may not issue, transfer or renew a certificate of  
231 title for a vessel issued pursuant to the requirements of 46 USC 12301,  
232 unless the department has created a certificate of title for the vessel or  
233 an application for a certificate of title for the vessel and the applicable  
234 fee has been delivered to the department.

235 Sec. 7. (NEW) (*Effective January 1, 2015*) (a) Except as otherwise  
236 provided in sections 14 and 18 to 21, inclusive, of this act, only an  
237 owner may apply for a certificate of title.

238 (b) An application for a certificate of title shall be on a form that the  
239 Commissioner of Motor Vehicles prescribes, be signed by the applicant  
240 and contain:

- 241 (1) The applicant's name, the street address of the applicant's  
242 principal residence and, if different, the applicant's mailing address;
- 243 (2) The name and mailing address of each other owner of the vessel;
- 244 (3) The hull identification number for the vessel or, if none, an  
245 application to the Department of Energy and Environmental  
246 Protection for the issuance of a hull identification number for the  
247 vessel;
- 248 (4) The vessel number for the vessel or, if none has been issued by  
249 the Department of Motor Vehicles, an application for a vessel number;
- 250 (5) A description of the vessel as required by the Department of  
251 Motor Vehicles, which shall include:
- 252 (A) The official number for the vessel, if any, assigned by the United  
253 States Coast Guard;
- 254 (B) The name of the manufacturer, builder or maker;
- 255 (C) The model year or the year in which the manufacture or build of  
256 the vessel was completed;
- 257 (D) The overall length of the vessel;
- 258 (E) The vessel type;
- 259 (F) The hull material;
- 260 (G) The propulsion type;
- 261 (H) The engine drive type, if any; and
- 262 (I) The fuel type, if any;
- 263 (6) An indication of all security interests in the vessel known to the  
264 applicant and the name and mailing address of each secured party;
- 265 (7) A statement that the vessel is not a documented vessel or a

266 foreign-documented vessel;

267 (8) Any title brand known to the applicant and, if known, the  
268 jurisdiction under whose law the title brand was created;

269 (9) If the application is made in connection with a transfer of  
270 ownership, the transferor's name, street address and, if different,  
271 mailing address, the sales price, if any, and the date of the transfer;

272 (10) If the vessel previously was registered or titled in another  
273 jurisdiction, a statement identifying each jurisdiction known to the  
274 applicant in which the vessel was registered or titled; and

275 (11) Any further information the commissioner reasonably requires  
276 to identify the vessel and to enable the commissioner to determine  
277 whether the owner is entitled to a certificate of title and the existence  
278 or nonexistence of security interests in the vessel.

279 (c) In addition to the information required by subsection (b) of this  
280 section, an application for a certificate of title may contain an electronic  
281 communication address of the owner, transferor or secured party.

282 (d) Except as otherwise provided in sections 18 to 21, inclusive, of  
283 this act, an application for a certificate of title shall be accompanied by:

284 (1) A certificate of title signed by the owner shown on the certificate  
285 of title that:

286 (A) Identifies the applicant as the owner of the vessel; or

287 (B) Is accompanied by a record that identifies the applicant as the  
288 owner; or

289 (2) If there is no certificate of title:

290 (A) If the vessel was a documented vessel, a record issued by the  
291 United States Coast Guard which shows the vessel is no longer a  
292 documented vessel and identifies the applicant as the owner;

293 (B) If the vessel was a foreign-documented vessel, a record issued  
294 by the foreign country which shows the vessel is no longer a foreign-  
295 documented vessel and identifies the applicant as the owner; or

296 (C) In all other cases, a certificate of origin, bill of sale or other  
297 record that to the satisfaction of the department identifies the applicant  
298 as the owner.

299 (e) A record submitted in connection with an application is part of  
300 the application. The department shall maintain the record in its files.

301 (f) The department may require that an application for a certificate  
302 of title be accompanied by payment or evidence of payment of any or  
303 all fees and taxes payable by the applicant under law of this state,  
304 other than fees paid in connection with the application or the  
305 acquisition or use of the vessel.

306 Sec. 8. (NEW) (*Effective January 1, 2015*) (a) Unless an application for  
307 a certificate of title is rejected pursuant to subsection (c) or (d) of this  
308 section, the Department of Motor Vehicles shall create a certificate of  
309 title for the vessel in accordance with subsection (b) of this section after  
310 delivery of an application to the department that complies with section  
311 7 of this act.

312 (b) If the department creates electronic certificates of title, the  
313 department shall create an electronic certificate of title unless in the  
314 application the secured party of record or, if none, the owner of record,  
315 requests that the department create a written certificate of title.

316 (c) Except as otherwise provided in subsection (d) of this section, the  
317 department may reject an application for a certificate of title only if:

318 (1) The application does not comply with section 7 of this act;

319 (2) The application does not contain documentation sufficient for  
320 the department to determine whether the applicant is entitled to a  
321 certificate of title;

322 (3) There is a reasonable basis for concluding that the application is  
323 fraudulent or issuance of a certificate of title would facilitate a  
324 fraudulent or illegal act; or

325 (4) The application does not comply with state law.

326 (d) The department shall reject an application for a certificate of title  
327 for a vessel that appears from the application to be a documented  
328 vessel or a foreign-documented vessel.

329 (e) The department may cancel a certificate of title created by the  
330 department only if the department:

331 (1) Could have rejected the application for the certificate of title  
332 under subsection (c) of this section;

333 (2) Is required to cancel the certificate of title pursuant to this section  
334 or section 11, 18 or 19 of this act; or

335 (3) Receives satisfactory evidence that the vessel is a documented  
336 vessel or a foreign-documented vessel.

337 Sec. 9. (NEW) (*Effective January 1, 2015*) (a) A certificate of title shall  
338 contain:

339 (1) The date the certificate of title was created;

340 (2) The name of the owner of record and, if not all owners are listed,  
341 an indication that there are additional owners indicated in the files of  
342 the Department of Motor Vehicles;

343 (3) The mailing address of the owner of record;

344 (4) The hull identification number;

345 (5) The information listed in subdivision (5) of subsection (b) of  
346 section 7 of this act;

347 (6) Except as otherwise provided in subsection (b) of section 14 of  
348 this act, the name and mailing address of the secured party of record, if

349 any and, if not all secured parties are listed, an indication that there are  
350 other security interests indicated in the files of the department;

351 (7) All title brands indicated in the files of the department covering  
352 the vessel, including, but not limited to, brands indicated on a  
353 certificate of title created by a governmental agency of another  
354 jurisdiction and delivered to the department; and

355 (8) Any other data the Commissioner of Motor Vehicles prescribes.

356 (b) Nothing in sections 1 to 32, inclusive, of this act shall preclude  
357 the department from noting on a certificate of title the name and  
358 mailing address of a secured party that is not a secured party of record.

359 (c) For each title brand indicated on a certificate of title, the  
360 certificate of title shall identify the jurisdiction under whose law the  
361 title brand was created or the jurisdiction that created the certificate of  
362 title on which the title brand was indicated. If the meaning of a title  
363 brand is not easily ascertainable or cannot be accommodated on the  
364 certificate of title, the certificate of title may state: "Previously branded  
365 in (insert the jurisdiction under whose law the title brand was created  
366 or whose certificate of title previously indicated the title brand)".

367 (d) If the files of the department indicate that a vessel previously  
368 was registered or titled in a foreign country, the department shall  
369 indicate on the certificate of title that the vessel was registered or titled  
370 in that country.

371 (e) A written certificate of title shall contain a form that all owners  
372 indicated on the certificate of title may sign to evidence consent to a  
373 transfer of an ownership interest to another person. The form shall  
374 include a certification, signed under penalty of false statement, that the  
375 statements made are true and correct to the best of each owner's  
376 knowledge, information and belief.

377 Sec. 10. (NEW) (*Effective January 1, 2015*) (a) For each record relating  
378 to a certificate of title submitted to the Department of Motor Vehicles,  
379 the department shall:

380 (1) Maintain the hull identification number and all the information  
381 submitted with the application pursuant to subsection (b) of section 7  
382 of this act to which the record relates, including the date and time the  
383 record was delivered to the department;

384 (2) Maintain the files for public inspection; and

385 (3) Index the files of the department pursuant to subsection (b) of  
386 this section.

387 (b) The department shall maintain in its files the information  
388 contained in all certificates of title created pursuant to section 8 of this  
389 act. The information in the files of the department shall be searchable  
390 by the hull identification number of the vessel, the vessel number, the  
391 name of the owner of record and any other method used by the  
392 department.

393 (c) The department shall maintain in its files, for each vessel for  
394 which it has created a certificate of title, all title brands known to the  
395 department, the name of each secured party known to the department,  
396 the name of each person known to the department to be claiming an  
397 ownership interest and all stolen property reports the department has  
398 received.

399 (d) Upon request, for safety, security or law enforcement purposes,  
400 the department shall provide to federal, state or local government the  
401 information in its files relating to any vessel for which the department  
402 has issued a certificate of title.

403 (e) Except as otherwise provided by the general statutes, the  
404 information required pursuant to section 9 of this act is a public record.

405 Sec. 11. (NEW) (*Effective January 1, 2015*) (a) On creation of a written  
406 certificate of title, the Department of Motor Vehicles shall send the  
407 certificate of title to the secured party of record or, if none, to the  
408 owner of record, at the address indicated for that person in the files of  
409 the department. On creation of an electronic certificate of title, the  
410 department shall send a record evidencing the certificate of title to the

411 owner of record and, if there is one, to the secured party of record, at  
412 the address indicated for that person in the files of the department. The  
413 department may send the record to the person's mailing address or, if  
414 indicated in the files of the department, an electronic address.

415 (b) If the department creates a written certificate of title, any such  
416 written certificate of title shall cancel any such electronic certificate of  
417 title. The department shall maintain in its files the date and time of  
418 such cancellation.

419 (c) Before the department creates an electronic certificate of title, any  
420 person holding a written certificate of title shall surrender such written  
421 certificate of title. If the department creates an electronic certificate of  
422 title, the department shall destroy or otherwise cancel any such  
423 surrendered written certificate of title and maintain in its files the date  
424 and time of such destruction or other cancellation. If a written  
425 certificate of title being canceled is not destroyed, the department shall  
426 indicate on the face of the certificate of title that it has been canceled.

427 Sec. 12. (NEW) (*Effective January 1, 2015*) A certificate of title is prima  
428 facie evidence of the accuracy of the information in the record that  
429 constitutes the certificate of title. In any criminal proceeding, a certified  
430 copy of a certificate of title shall be prima facie evidence as to the  
431 ownership of a vessel.

432 Sec. 13. (NEW) (*Effective January 1, 2015*) Possession of a certificate of  
433 title does not in and of itself provide a right to obtain possession of a  
434 vessel. Garnishment, attachment, levy, replevin or other judicial  
435 process against the certificate of title shall not be effective to determine  
436 possessory rights to the vessel. Sections 1 to 32, inclusive, of this act do  
437 not prohibit enforcement under law of this state other than said  
438 sections of a security interest in, levy on, or foreclosure of a statutory  
439 or common law lien on a vessel. Absence of an indication of a statutory  
440 or common law lien on a certificate of title shall not invalidate the lien.

441 Sec. 14. (NEW) (*Effective January 1, 2015*) (a) Except as otherwise  
442 provided in this section or section 27 of this act, a security interest in a



443 vessel may be perfected only by delivery to the Department of Motor  
444 Vehicles of an application for a certificate of title that identifies the  
445 secured party and otherwise complies with section 7 of this act. The  
446 security interest shall be perfected on the later of delivery to the  
447 department of the application and all applicable fees or attachment of  
448 the security interest under section 42a-9-203 of the general statutes.

449 (b) If the interest of a person named as owner, lessor, consignor or  
450 bailor in an application for a certificate of title delivered to the  
451 department is a security interest, the application sufficiently identifies  
452 the person as a secured party. Identification on the application for a  
453 certificate of title of a person as owner, lessor, consignor or bailor shall  
454 not in and of itself be a factor in determining whether the person's  
455 interest is a security interest.

456 (c) If the department has created a certificate of title for a vessel, a  
457 security interest in the vessel may be perfected by delivery to the  
458 department of an application, in such form as the department may  
459 require, to have the security interest added to the certificate of title.  
460 The application shall be signed by an owner of the vessel or by the  
461 secured party and shall include:

462 (1) The name of the owner of record;

463 (2) The name and mailing address of the secured party;

464 (3) The hull identification number for the vessel; and

465 (4) If the department has created a written certificate of title for the  
466 vessel, the certificate of title.

467 (d) A security interest perfected under subsection (c) of this section  
468 shall be perfected on the later of delivery to the department of the  
469 application and all applicable fees or attachment of the security interest  
470 under section 42a-9-203 of the general statutes.

471 (e) On delivery of an application that complies with subsection (c) of  
472 this section and payment of all applicable fees, the department shall

473 create a new certificate of title pursuant to section 8 of this act and  
474 deliver the new certificate of title or a record evidencing an electronic  
475 certificate of title pursuant to subsection (a) of section 11 of this act.  
476 The department shall maintain in its files the date and time of delivery  
477 of the application to the department.

478 (f) If a secured party assigns a perfected security interest in a vessel,  
479 the receipt by the department of a statement providing the name of the  
480 assignee as secured party shall not be required to continue the  
481 perfected status of the security interest against creditors of and  
482 transferees from the original debtor. A purchaser of a vessel subject to  
483 a security interest which obtains a release from the secured party  
484 indicated in the files of the department or on the certificate of title  
485 takes free of the security interest and of the rights of a transferee unless  
486 the transfer is indicated in the files of the department or on the  
487 certificate of title.

488 (g) The provisions of this section shall not apply to a security  
489 interest:

490 (1) Created in a vessel by a person during any period in which the  
491 vessel is inventory held for sale or lease by the person or is leased by  
492 the person as lessor if the person is in the business of selling vessels;

493 (2) In a barge or any other vessel for which a certificate of title is not  
494 permitted under sections 1 to 32, inclusive, of this act; or

495 (3) In a vessel before delivery if the vessel is under construction, or  
496 completed, pursuant to contract and for which no application for a  
497 certificate of title has been delivered to the department.

498 (h) When a certificate of documentation for a documented vessel is  
499 deleted or canceled, if a security interest in the vessel was valid  
500 immediately before deletion or cancellation against a third party as a  
501 result of compliance with 42 USC 31321, the security interest is and  
502 remains perfected until the earlier of four months after cancellation of  
503 the certificate or the time the security interest becomes perfected under

504 this section.

505 (i) A security interest in a vessel arising under section 42a-2-401 or  
506 42a-2-505 of the general statutes, subdivision (3) of section 42a-2-711 of  
507 the general statutes or subsection (d) of section 42a-2A-724 of the  
508 general statutes shall be perfected when it attaches but shall become  
509 unperfected when the debtor obtains possession of the vessel, unless  
510 before the debtor obtains possession the security interest is perfected  
511 pursuant to subsection (a) or (c) of this section.

512 (j) A security interest in a vessel as proceeds of other collateral shall  
513 be perfected to the extent provided in section 42a-9-315 of the general  
514 statutes.

515 (k) A security interest in a vessel perfected under the law of another  
516 jurisdiction shall be perfected to the extent provided in subsection (d)  
517 of section 42a-9-316 of the general statutes.

518 Sec. 15. (NEW) (*Effective January 1, 2015*) (a) A secured party  
519 indicated in the files of the Department of Motor Vehicles as having a  
520 security interest in a vessel shall deliver a termination statement to the  
521 department in such form as the department prescribes and, on the  
522 debtor's request, to the debtor, by the earlier of:

523 (1) Twenty days after the secured party receives a signed demand  
524 from an owner for a termination statement and there is no obligation  
525 secured by the vessel subject to the security interest and no  
526 commitment to make an advance, incur an obligation or otherwise  
527 give value secured by the vessel; or

528 (2) If the vessel is consumer goods, thirty days after there is no  
529 obligation secured by the vessel and no commitment to make an  
530 advance, incur an obligation or otherwise give value secured by the  
531 vessel.

532 (b) If the department has created a written certificate of title and  
533 delivered such certificate of title to a secured party and a termination  
534 statement is required under subsection (a) of this section, the secured

535 party shall, not later than the date required by subsection (a) of this  
536 section, deliver the certificate of title to the debtor or to the department  
537 with the statement. If the certificate of title is lost, stolen, mutilated,  
538 destroyed or otherwise unavailable or illegible, the secured party shall,  
539 not later than the date required by subsection (a) of this section, deliver  
540 with the statement an application for a replacement certificate of title  
541 meeting the requirements of section 21 of this act.

542 (c) On delivery to the department of a termination statement  
543 authorized by the secured party, the security interest to which the  
544 statement relates ceases to be perfected. If the security interest to  
545 which the statement relates was indicated on the certificate of title, the  
546 department shall create a new certificate of title and deliver such new  
547 certificate of title or a record evidencing an electronic certificate of title.  
548 The department shall maintain in its files the date and time of delivery  
549 to the department of the statement.

550 (d) A secured party that fails to comply with this section shall be  
551 liable for any loss that the secured party had reason to know might  
552 result from its failure to comply and that could not reasonably have  
553 been prevented and for the cost of an application for a certificate of  
554 title under section 7 or 21 of this act.

555 (e) The Commissioner of Motor Vehicles may require a secured  
556 party indicated in the files of the department as having a security  
557 interest in a vessel to electronically transmit to the department a  
558 termination statement evidencing release of its security interest in a  
559 vessel.

560 Sec. 16. (NEW) (*Effective January 1, 2015*) (a) Upon voluntary transfer  
561 of an ownership interest in a vessel covered by a certificate of title, the  
562 following rules apply:

563 (1) If the certificate of title is a written certificate of title and the  
564 transferor's interest is noted on the certificate of title, the transferor  
565 shall sign the certificate of title and deliver it to the transferee. If the  
566 transferor does not have possession of the certificate of title, the person

567 in possession of the certificate of title shall have a duty to facilitate the  
568 transferor's compliance with this subdivision. A secured party shall  
569 not have a duty to facilitate the transferor's compliance with this  
570 subdivision if the proposed transfer is prohibited by the security  
571 agreement.

572 (2) If the certificate of title is an electronic certificate of title, the  
573 transferor shall sign and deliver to the transferee a record evidencing  
574 the transfer of ownership to the transferee.

575 (3) The transferee shall have a right enforceable by specific  
576 performance to require the transferor to comply with the provisions of  
577 subdivision (1) or (2) of this subsection.

578 (b) The creation of a certificate of title identifying the transferee as  
579 owner of record shall satisfy subsection (a) of this section.

580 (c) Failure to comply with subsection (a) of this section or to apply  
581 for a new certificate of title shall not render a transfer of ownership of a  
582 vessel ineffective. Except as otherwise provided in section 17, section  
583 18, subsection (a) of section 22 or section 23 of this act, a transfer of  
584 ownership without compliance with subsection (a) of this section shall  
585 not be effective against another person claiming an interest in the  
586 vessel.

587 (d) A transferor that complies with subsection (a) of this section  
588 shall not be liable as owner of the vessel for an event occurring after  
589 the transfer, regardless of whether the transferee applies for a new  
590 certificate of title.

591 Sec. 17. (NEW) (*Effective January 1, 2015*) Except as otherwise  
592 provided in section 42a-9-337 of the general statutes, a certificate of  
593 title or other record required or authorized by sections 1 to 32,  
594 inclusive, of this act shall be effective even if it contains incorrect  
595 information or does not contain required information.

596 Sec. 18. (NEW) (*Effective January 1, 2015*) (a) For the purposes of this  
597 section, "secured party's transfer statement" means a record signed by

598 the secured party of record stating:

599 (1) That there has been a default on an obligation to the secured  
600 party of record secured by the vessel;

601 (2) The secured party of record is exercising or has exercised post-  
602 default remedies with respect to the vessel;

603 (3) By reason of the exercise, the secured party of record has the  
604 right to transfer the ownership interest of an owner, and the name of  
605 the owner;

606 (4) The name and last known mailing address of the owner of  
607 record and the secured party of record;

608 (5) The name of the transferee;

609 (6) Other information required by subsection (b) of section 7 of this  
610 act; and

611 (7) One of the following:

612 (A) The certificate of title is an electronic certificate of title;

613 (B) The secured party does not have possession of the written  
614 certificate of title created in the name of the owner of record; or

615 (C) The secured party is delivering the written certificate of title to  
616 the Department of Motor Vehicles with the secured party's transfer  
617 statement.

618 (b) Unless the department rejects a secured party's transfer  
619 statement for a reason stated in subsection (c) of section 8 of this act,  
620 after delivery to the department of the statement and payment of fees  
621 and taxes payable under the law of this state, other than fees paid in  
622 connection with the statement or the acquisition or use of the vessel,  
623 the department shall:

624 (1) Accept the statement;

- 625 (2) Amend the files of the department to reflect the transfer; and
- 626 (3) If the name of the owner whose ownership interest is being  
627 transferred is indicated on the certificate of title:
- 628 (A) Cancel the certificate of title even if the certificate of title has not  
629 been delivered to the department;
- 630 (B) Create a new certificate of title indicating the transferee as  
631 owner; and
- 632 (C) Deliver the new certificate of title or a record evidencing an  
633 electronic certificate of title.
- 634 (c) An application submitted under subsection (a) of this section or  
635 the creation of a certificate of title under subsection (b) of this section  
636 shall not in and of itself be a disposition of the vessel and shall not in  
637 and of itself relieve the secured party of its duties under article 9 of  
638 title 42a of the general statutes.
- 639 Sec. 19. (NEW) (*Effective January 1, 2015*) (a) For purposes of this  
640 section:
- 641 (1) "By operation of law" means pursuant to a law or judicial order  
642 affecting ownership of a vessel:
- 643 (A) Because of death, divorce or other family law proceeding,  
644 merger, consolidation, dissolution or bankruptcy;
- 645 (B) Through the exercise of the rights of a lien creditor or a person  
646 having a lien created by statute or rule of law; or
- 647 (C) Through other legal process; and
- 648 (2) "Transfer-by-law statement" means a record signed by a  
649 transferee stating that by operation of law the transferee has acquired  
650 or has the right to acquire an ownership interest in a vessel.
- 651 (b) A transfer-by-law statement shall contain:

652 (1) The name and last-known mailing address of the owner of  
653 record and the transferee and the other information required pursuant  
654 to subsection (b) of section 7 of this act;

655 (2) Documentation sufficient to establish the transferee's ownership  
656 interest or right to acquire the ownership interest;

657 (3) A statement that:

658 (A) The certificate of title is an electronic certificate of title;

659 (B) The transferee does not have possession of the written certificate  
660 of title created in the name of the owner of record; or

661 (C) The transferee is delivering the written certificate of title to the  
662 Department of Motor Vehicles with the transfer-by-law statement; and

663 (4) Except for a transfer described in subparagraph (A) of  
664 subdivision (1) of subsection (a) of this section, evidence that  
665 notification of the transfer and the intent to file the transfer-by-law  
666 statement has been sent to all persons indicated in the department's  
667 files as having an interest, including a security interest, in the vessel.

668 (c) Unless the department rejects a transfer-by-law statement for a  
669 reason stated in subsection (c) of section 8 of this act or because the  
670 statement does not include documentation satisfactory to the  
671 department as to the transferee's ownership interest or right to acquire  
672 the ownership interest, after delivery to the department of the  
673 statement and payment of fees and taxes payable under the law of this  
674 state other than sections 1 to 32, inclusive, of this act in connection with  
675 the statement or with the acquisition or use of the vessel, the  
676 department shall:

677 (1) Accept the statement;

678 (2) Amend its files to reflect the transfer; and

679 (3) If the name of the owner whose ownership interest is being  
680 transferred is indicated on the certificate of title:



681 (A) Cancel the certificate of title even if the certificate of title has not  
682 been delivered to the department;

683 (B) Create a new certificate of title indicating the transferee as  
684 owner;

685 (C) Indicate on the new certificate of title any security interest  
686 indicated on the canceled certificate of title, unless a court order  
687 provides otherwise; and

688 (D) Deliver the new certificate of title or a record evidencing an  
689 electronic certificate of title.

690 (d) The provisions of this section shall not apply to a transfer of an  
691 interest in a vessel by a secured party under sections 42a-9-601 to 42a-  
692 9-628, inclusive, of the general statutes.

693 Sec. 20. (NEW) (*Effective January 1, 2015*) (a) Except as otherwise  
694 provided in section 18 or 19 of this act, if the Department of Motor  
695 Vehicles receives, unaccompanied by a signed certificate of title, an  
696 application for a new certificate of title that includes an indication of a  
697 transfer of ownership or a termination statement, the department may  
698 create a new certificate of title under this section only if:

699 (1) All other requirements under sections 7 and 8 of this act are met;

700 (2) The applicant provides an affidavit stating facts showing the  
701 applicant is entitled to a transfer of ownership or termination  
702 statement;

703 (3) The applicant provides the department with satisfactory  
704 evidence in such form as the department prescribes that notification of  
705 the application has been sent to the owner of record and all persons  
706 indicated in the department's files as having an interest, including a  
707 security interest, in the vessel, not less than forty-five days have passed  
708 since the notification was sent, and the department has not received an  
709 objection from such owner or persons; and

710 (4) The applicant submits any other information required by the  
711 department as evidence of the applicant's ownership or right to  
712 terminate the security interest, and the department has no credible  
713 information indicating theft, fraud or an undisclosed or unsatisfied  
714 security interest, lien or other claim to an interest in the vessel.

715 (b) The department shall indicate in a certificate of title created  
716 under subsection (a) of this section that the certificate of title was  
717 created without submission of a signed certificate of title or  
718 termination statement. Unless credible information indicating theft,  
719 fraud or an undisclosed or unsatisfied security interest, lien or other  
720 claim to an interest in the vessel is delivered to the department not  
721 later than one year after creation of the certificate of title, on request in  
722 a form and manner required by the department, the department shall  
723 remove the indication from the certificate of title.

724 (c) Unless the department determines that the value of a vessel is  
725 less than five thousand dollars, before the department creates a  
726 certificate of title under subsection (a) of this section, the department  
727 may require the applicant to post a bond or provide an equivalent  
728 source of indemnity or security. The bond, indemnity or other security  
729 shall be in an amount equal to twice the value of the vessel as  
730 determined by the department. The bond, indemnity or other security  
731 shall be in a form required by the department and provide for  
732 indemnification of any owner, purchaser or other claimant for any  
733 expense, loss, delay or damage, including reasonable attorney's fees  
734 and costs, but not including incidental or consequential damages,  
735 resulting from creation or amendment of the certificate of title.

736 (d) Unless the department receives a claim for indemnity not later  
737 than one year after creation of a certificate of title under subsection (a)  
738 of this section, on request in a form and manner required by the  
739 department, the department shall release any bond, indemnity or other  
740 security.

741 Sec. 21. (NEW) (*Effective January 1, 2015*) (a) If a written certificate of  
742 title is lost, stolen, mutilated, destroyed or otherwise becomes

743 unavailable or illegible, the secured party of record or, if no secured  
744 party is indicated in the Department of Motor Vehicle's files, the owner  
745 of record may apply for and, by furnishing information satisfactory to  
746 the department, obtain a replacement certificate of title in the name of  
747 the owner of record.

748 (b) An applicant for a replacement certificate of title shall sign the  
749 application and, except as otherwise permitted by the department, the  
750 application shall comply with section 7 of this act. The application  
751 shall include the existing certificate of title unless the certificate of title  
752 is lost, stolen, mutilated, destroyed or otherwise unavailable.

753 (c) A replacement certificate of title created by the department shall  
754 comply with section 9 of this act and indicate on the face of the  
755 certificate of title that it is a replacement certificate of title.

756 (d) If a person receiving a replacement certificate of title  
757 subsequently obtains possession of the original written certificate of  
758 title, the person promptly shall destroy the original certificate of title.

759 Sec. 22. (NEW) (*Effective January 1, 2015*) (a) A buyer in ordinary  
760 course of business shall have the protections afforded by subdivision  
761 (2) of section 42a-2-403 of the general statutes and subsection (a) of  
762 section 42a-9-320 of the general statutes even if an existing certificate of  
763 title was not signed and delivered to the buyer or a new certificate of  
764 title listing the buyer as owner of record was not created.

765 (b) Except as otherwise provided in sections 16 and 23 of this act,  
766 the rights of a purchaser of a vessel who is not a buyer in ordinary  
767 course of business or a lien creditor shall be governed by the  
768 provisions of title 42a of the general statutes.

769 Sec. 23. (NEW) (*Effective January 1, 2015*) (a) Subject to subsection (b)  
770 of this section, the effect of perfection and nonperfection of a security  
771 interest and the priority of a perfected or unperfected security interest  
772 with respect to the rights of a purchaser or creditor, including a lien  
773 creditor, shall be governed by the provisions of title 42a of the general

774 statutes.

775 (b) If, while a security interest in a vessel is perfected by any method  
776 under section 14 of this act, the Department of Motor Vehicles creates a  
777 certificate of title that does not indicate that the vessel is subject to the  
778 security interest or contain a statement that it may be subject to  
779 security interests not indicated on the certificate of title:

780 (1) A buyer of the vessel, other than a person in the business of  
781 selling or leasing vessels of that kind, takes free of the security interest  
782 if the buyer, acting in good faith and without knowledge of the  
783 security interest, gives value and receives possession of the vessel; and

784 (2) The security interest is subordinate to a conflicting security  
785 interest in the vessel that is perfected under section 14 of this act after  
786 creation of the certificate of title and without the conflicting secured  
787 party's knowledge of the security interest.

788 Sec. 24. (NEW) (*Effective January 1, 2015*) (a) The Department of  
789 Motor Vehicles shall retain the evidence used by the department to  
790 determine the accuracy of the information in its files relating to the  
791 current ownership of a vessel and the information on the certificate of  
792 title.

793 (b) The department shall retain in its files all information received  
794 by the department regarding a security interest in a vessel for not less  
795 than ten years after the department receives a termination statement  
796 regarding the security interest. The information shall be accessible by  
797 the hull identification number for the vessel and any other methods  
798 provided by the department.

799 (c) If a person submits a record to the department, or submits  
800 information that the department accepts, and requests an  
801 acknowledgment of the filing or submission, the department shall send  
802 to the person an acknowledgment showing the hull identification  
803 number of the vessel to which the record or submission relates, the  
804 information in the filed record or submission, and the date and time

805 the record was received or the submission accepted. A request under  
806 this section shall contain the hull identification number and be  
807 delivered by means authorized by the department.

808 (d) The department shall send or otherwise make available in a  
809 record the following information to any person that requests it and  
810 pays all applicable fees:

811 (1) Whether the files of the department indicate, as of a date and  
812 time specified by the department, but not a date earlier than ten  
813 calendar days before the department received the request, any  
814 certificate of title, security interest, termination statement or title brand  
815 that relates to a vessel:

816 (A) Identified by a hull identification number designated in the  
817 request;

818 (B) Identified by a vessel number designated in the request; or

819 (C) Owned by a person designated in the request;

820 (2) With respect to the vessel:

821 (A) The name and address of any owner as indicated in the files of  
822 the department or on the certificate of title;

823 (B) The name and address of any secured party as indicated in the  
824 files of the department or on the certificate of title, and the effective  
825 date of the information; and

826 (C) A copy of any termination statement indicated in the files of the  
827 department and the effective date of the termination statement; and

828 (3) With respect to the vessel, a copy of any certificate of origin,  
829 secured party's transfer statement under section 18 of this act,  
830 transfer-by-law statement under section 19 of this act and other  
831 evidence of previous or current transfers of ownership.

832 (e) In responding to a request under this section, the department

833 may provide the requested information in any medium, provided on  
834 request and upon payment of all applicable fees, the department shall  
835 communicate the requested information by issuing the department's  
836 written document.

837       Sec. 25. (NEW) (*Effective January 1, 2015*) In applying and construing  
838 the provisions of the Uniform Certificate of Title for Vessels Act,  
839 consideration shall be given to the need to promote uniformity of the  
840 law with respect to its subject matter among states that enact such  
841 uniform provisions.

842       Sec. 26. (NEW) (*Effective January 1, 2015*) The provisions of sections 1  
843 to 32, inclusive, of this act modify, limit, and supersede the federal  
844 Electronic Signatures in Global and National Commerce Act, 15 USC  
845 7001, et seq., but do not modify, limit or supersede Section 101(c) of  
846 said act, 15 USC 7001(c), or authorize electronic delivery of any of the  
847 notices described in Section 103(b) of said act, 15 USC 7003(b).

848       Sec. 27. (NEW) (*Effective January 1, 2015*) (a) The rights, duties and  
849 interests flowing from a transaction, certificate of title or record  
850 relating to a vessel which was validly entered into or created before  
851 January 1, 2015, and would be subject to sections 1 to 32, inclusive, of  
852 this act if it had been entered into or created on or after January 1,  
853 2015, remain valid on and after January 1, 2015.

854       (b) Sections 1 to 32, inclusive, of this act do not affect an action or  
855 proceeding commenced before January 1, 2015.

856       (c) Except as otherwise provided in subsection (d) of this section, a  
857 security interest that is enforceable immediately before January 1, 2015,  
858 and would have priority over the rights of a person that becomes a lien  
859 creditor at that time is a perfected security interest under sections 1 to  
860 32, inclusive, of this act.

861       (d) A security interest in a vessel for which a certificate of title is  
862 required under sections 1 to 32, inclusive, of this act that is perfected  
863 immediately before January 1, 2015, remains perfected until the earlier

864 of:

865 (1) The time perfection would have ceased under the law under  
866 which the security interest was perfected; or

867 (2) January 1, 2018.

868 (e) Sections 1 to 32, inclusive, of this act shall not affect the priority  
869 of a security interest in a vessel if immediately before January 1, 2015,  
870 the security interest is enforceable and perfected, and that priority is  
871 established.

872 Sec. 28. (NEW) (*Effective January 1, 2015*) (a) On and after January 1,  
873 2015, and until January 1, 2018, the Department of Motor Vehicles shall  
874 be paid the following fees: (1) For filing an application for a certificate  
875 of title, fifty dollars; (2) for each security interest noted upon a  
876 certificate of title or maintained in the electronic title file pursuant to  
877 subsection (b) of section 14 of this act, twenty dollars; (3) for each  
878 record copy search, forty dollars; (4) for each assignment of a security  
879 interest noted upon a certificate of title or maintained in the electronic  
880 title file, twenty dollars; (5) for an application for a duplicate certificate  
881 of title, fifty dollars, provided such fee shall not be required for any  
882 such duplicate certificate of title; (6) for filing a notice of security  
883 interest, twenty dollars; (7) for filing a termination statement relating  
884 to a security interest pursuant to section 15 of this act, twenty dollars;  
885 (8) for filing a secured party's transfer statement pursuant to section 18  
886 of this act, fifty dollars; (9) for filing a transfer-by-law statement  
887 pursuant to section 19 of this act, fifty dollars; (10) for filing an  
888 application for transfer of ownership or termination of a security  
889 interest without a certificate of title pursuant to section 20 of this act,  
890 fifty dollars; (11) for a certificate of search of the records of the  
891 department for each name or hull identification number searched  
892 against, forty dollars; (12) for filing an assignment of security interest,  
893 twenty dollars; (13) for search of a vessel certificate of title record,  
894 requested by a person other than the owner of record of such vessel,  
895 forty dollars; and (14) for a certified copy of any documentation,  
896 information or other record maintained or created by the department,

897 forty dollars.

898 (b) On and after January 1, 2018, the department shall be paid the  
899 following fees: (1) For filing an application for a certificate of title,  
900 twenty-five dollars; (2) for each security interest noted upon a  
901 certificate of title or maintained in the electronic title file pursuant to  
902 subsection (b) of section 14 of this act, ten dollars; (3) for each record  
903 copy search, twenty dollars; (4) for each assignment of a security  
904 interest noted upon a certificate of title or maintained in the electronic  
905 title file, ten dollars; (5) for an application for a duplicate certificate of  
906 title, twenty-five dollars, provided such fee shall not be required for  
907 any such duplicate certificate of title; (6) for filing a notice of security  
908 interest, ten dollars; (7) for filing a termination statement relating to a  
909 security interest pursuant to section 15 of this act, ten dollars; (8) for  
910 filing a secured party's transfer statement pursuant to section 18 of this  
911 act, twenty-five dollars; (9) for filing a transfer-by-law statement  
912 pursuant to section 19 of this act, twenty-five dollars; (10) for filing an  
913 application for transfer of ownership or termination of a security  
914 interest without a certificate of title pursuant to section 20 of this act,  
915 twenty-five dollars; (11) for a certificate of search of the records of the  
916 department for each name or hull identification number searched  
917 against, twenty dollars; (12) for filing an assignment of security  
918 interest, ten dollars; (13) for search of a vessel certificate of title record,  
919 requested by a person other than the owner of record of such vessel,  
920 twenty dollars; and (14) for a certified copy of any documentation,  
921 information or other record maintained or created by the department,  
922 twenty dollars.

923 (c) If an application, certificate of title or other document required to  
924 be mailed or delivered to the department under any provision of  
925 sections 1 to 32, inclusive, of this act is not delivered to the department  
926 within ten days from the time it is required to be mailed or delivered,  
927 the department shall collect, as a penalty, an amount equal to the fee  
928 required for the transaction.

929 (d) Vessels leased to an agency of this state and vessels owned by



930 the state, an agency of the state or a municipality, as defined in section  
931 7-245 of the general statutes, shall be exempt from the fees imposed by  
932 this section.

933 Sec. 29. (NEW) (*Effective January 1, 2015*) (a) The Commissioner of  
934 Motor Vehicles shall prescribe and provide suitable forms of  
935 applications, certificates of title, notices of security interests and all  
936 other notices and forms necessary to carry out the provisions of  
937 sections 1 to 32, inclusive, of this act.

938 (b) The commissioner may: (1) Make necessary investigations to  
939 procure information required to carry out the provisions of sections 1  
940 to 32, inclusive, of this act; and (2) adopt and enforce reasonable rules  
941 to carry out the provisions of said sections of this act.

942 (c) The commissioner may adopt regulations, in accordance with the  
943 provisions of chapter 54 of the general statutes, to provide for the  
944 implementation of any of the provisions of sections 1 to 32, inclusive,  
945 of this act and for the placement of additional indications on any  
946 certificate of title concerning the condition of or status of title to any  
947 vessel. An indication shall be placed on a certificate of title stating that  
948 the vessel may be subject to security interests not shown on the  
949 certificate of title when: (1) This state becomes the state of principal use  
950 of the vessel from another state; (2) the vessel was not a documented or  
951 foreign-documented vessel immediately prior to the application for the  
952 certificate of title; and (3) the immediately previous state of principal  
953 use of the vessel did not issue, or does not have a requirement for, a  
954 certificate of title for the vessel. Such regulations, as may be adopted  
955 by the commissioner, shall provide for an opportunity for a hearing, in  
956 accordance with the provisions of chapter 54 of the general statutes  
957 and section 30 of this act, for any person aggrieved by any action,  
958 omission to act or decision of the commissioner or of the Department  
959 of Motor Vehicles made pursuant to this subsection.

960 (d) The commissioner shall adopt regulations, in accordance with  
961 the provisions of chapter 54 of the general statutes, concerning the  
962 inclusion of a title brand on a certificate of title for a vessel. In adopting

963 such regulations, the commissioner shall consider whether special  
964 branding categories such as "hull damaged" shall be included on the  
965 certificate of title for a vessel.

966 Sec. 30. (NEW) (*Effective January 1, 2015*) Any person aggrieved by  
967 an action, omission to act or decision of the Commissioner of Motor  
968 Vehicles or of the Department of Motor Vehicles under sections 1 to 32,  
969 inclusive, of this act shall be entitled, upon request, to a hearing in  
970 accordance with the provisions of chapter 54 of the general statutes.

971 Sec. 31. (NEW) (*Effective January 1, 2015*) Any person aggrieved by  
972 an action, omission to act or decision of the Commissioner of Motor  
973 Vehicles or of the Department of Motor Vehicles under sections 1 to 32,  
974 inclusive, of this act may appeal therefrom in accordance with the  
975 provisions of section 4-183 of the general statutes, except venue for  
976 such appeal shall be in the judicial district of New Britain.

977 Sec. 32. (NEW) (*Effective January 1, 2015*) (a) Any person who, with  
978 fraudulent intent: (1) Alters, forges or counterfeits a certificate of title;  
979 (2) alters or forges an assignment of a certificate of title, or an  
980 assignment or release of a security interest or a termination statement,  
981 on a certificate of title or a form the Department of Motor Vehicles  
982 prescribes; (3) has possession of or uses a certificate of title knowing it  
983 to have been altered, forged or counterfeited; or (4) uses a false or  
984 fictitious name or address, or makes a material false statement, or fails  
985 to disclose a security interest, or conceals any other material fact, in an  
986 application for a certificate of title, shall be fined not less than five  
987 hundred dollars nor more than one thousand dollars or be imprisoned  
988 not less than one year nor more than five years or be both fined and  
989 imprisoned.

990 (b) Any person who: (1) With fraudulent intent, permits another,  
991 not entitled thereto, to use or have possession of a certificate of title; (2)  
992 wilfully fails to mail or deliver a certificate of title or application  
993 therefor to the department within ten days after the time required by  
994 sections 1 to 32, inclusive, of this act; (3) wilfully fails to deliver to his  
995 transferee a certificate of title within ten days after the time required by

996 sections 1 to 32, inclusive, of this act; or (4) wilfully violates any  
 997 provision of sections 1 to 32, inclusive, of this act, except as provided in  
 998 subsection (a) of this section, shall be fined not more than one  
 999 thousand dollars or be imprisoned not more than two years or be both  
 1000 fined and imprisoned.

1001 Sec. 33. Subdivision (2) of subsection (a) of section 14-10 of the  
 1002 general statutes is repealed and the following is substituted in lieu  
 1003 thereof (*Effective January 1, 2015*):

1004 (2) "Motor vehicle record" means any record that pertains to an  
 1005 operator's license, instruction permit, identity card, registration,  
 1006 certificate of title or any other document issued by the Department of  
 1007 Motor Vehicles. "Motor vehicle record" does not include any record  
 1008 relating to vessels and certificates of title for vessels, as provided in  
 1009 section 10 of this act;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2015</i>	New section
Sec. 2	<i>January 1, 2015</i>	New section
Sec. 3	<i>January 1, 2015</i>	New section
Sec. 4	<i>January 1, 2015</i>	New section
Sec. 5	<i>January 1, 2015</i>	New section
Sec. 6	<i>January 1, 2015</i>	New section
Sec. 7	<i>January 1, 2015</i>	New section
Sec. 8	<i>January 1, 2015</i>	New section
Sec. 9	<i>January 1, 2015</i>	New section
Sec. 10	<i>January 1, 2015</i>	New section
Sec. 11	<i>January 1, 2015</i>	New section
Sec. 12	<i>January 1, 2015</i>	New section
Sec. 13	<i>January 1, 2015</i>	New section
Sec. 14	<i>January 1, 2015</i>	New section
Sec. 15	<i>January 1, 2015</i>	New section
Sec. 16	<i>January 1, 2015</i>	New section
Sec. 17	<i>January 1, 2015</i>	New section
Sec. 18	<i>January 1, 2015</i>	New section
Sec. 19	<i>January 1, 2015</i>	New section

Sec. 20	<i>January 1, 2015</i>	New section
Sec. 21	<i>January 1, 2015</i>	New section
Sec. 22	<i>January 1, 2015</i>	New section
Sec. 23	<i>January 1, 2015</i>	New section
Sec. 24	<i>January 1, 2015</i>	New section
Sec. 25	<i>January 1, 2015</i>	New section
Sec. 26	<i>January 1, 2015</i>	New section
Sec. 27	<i>January 1, 2015</i>	New section
Sec. 28	<i>January 1, 2015</i>	New section
Sec. 29	<i>January 1, 2015</i>	New section
Sec. 30	<i>January 1, 2015</i>	New section
Sec. 31	<i>January 1, 2015</i>	New section
Sec. 32	<i>January 1, 2015</i>	New section
Sec. 33	<i>January 1, 2015</i>	14-10(a)(2)

***Statement of Legislative Commissioners:***

In sections 1 and 2, "(NEW)" was inserted for statutory consistency, since these are public act sections that will be codified in the general statutes.

***JUD***      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>
Department of Motor Vehicles	GF - Revenue Gain	None	15,000
Department of Motor Vehicles	GF - Cost	None	22,447
Department of Motor Vehicles; Comptroller- Fringe Benefits <sup>1</sup>	GF - Cost	None	7,753
Judicial Dept.	GF - Potential Revenue Gain	None	Indeterminate
Judicial Dept. (Probation)	GF - Cost	None	Indeterminate

### **Municipal Impact:** None

### **Explanation**

It is anticipated that DMV will need one additional staff position to handle the new vessel titling system. A Motor Vehicle Examiner Specialist makes approximately \$44,893 a year plus fringe benefits. As the bill is effective January 1<sup>st</sup> 2015, FY 15 costs are estimated to be \$22,447 plus fringe benefits associated with adding an additional position for six months.

The bill is anticipated to result in a potential revenue gain to the General Fund of approximately \$15,000 in FY 15 due to establishing fees for titles of vessels with a model year of 2015 or greater. In FY 12, there were 13,300 new vessel registrations. It is anticipated that 200 vessels will have a model year of 2015 or greater.

The new vessel titling system results in a revenue gain to the

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 34.54% of payroll in FY 14 and FY 15.

General Fund, therefore it is anticipated that the General Fund will incur the associated costs. Currently the revenue and costs from the Boating Fund are consolidated within the General Fund.

The bill also includes a penalty for specified forms of fraudulent intent and could result in a potential revenue gain. The full impact is indeterminate as this is a new offense.

To the extent that offenders are prosecuted under this bill, potential costs for incarceration or probation supervision in the community would result. On average, it costs the state \$3,736 to supervise an offender on probation in the community as compared to \$34,829 to incarcerate the offender.

### ***The Out Years***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$	FY 18 \$
Department of Motor Vehicles	GF - Revenue Gain	15,000	15,000	7,500
Department of Motor Vehicles	GF - Cost	45,791	46,707	47,641
Department of Motor Vehicles; Comptroller-Fringe Benefits	GF - Cost	15,816	16,133	16,455
Judicial Dept.	GF - Potential Revenue Gain	Indeterminate	Indeterminate	Indeterminate
Judicial Dept. (Probation)	GF - Cost	Indeterminate	Indeterminate	Indeterminate

#### ***Municipal Impact:*** None

It is anticipated that DMV will need one additional staff position to handle the new vessel titling system in FY 16 through FY 18. A Motor Vehicle Examiner Specialist makes approximately \$44,893 a year plus fringe benefits.

The bill is also anticipated to result in a revenue gain of \$15,000 in FY 16 and FY 17. The fees are reduced by 50% in FY 18 and are

anticipated to result in a revenue gain of \$7,500.

**OLR Bill Analysis****HB 6341*****AN ACT ADOPTING THE UNIFORM CERTIFICATE OF TITLE FOR VESSELS ACT.*****SUMMARY:**

This bill enacts the Uniform Certificate of Title for Vessels Act, which creates a certificate of title system for certain vessels that are principally used on Connecticut waters. It generally requires owners to apply to the Department of Motor Vehicles (DMV) for a certificate when a vessel's ownership changes or Connecticut becomes the vessel's state of principal use. But the bill does not apply to a number of different types of vessels, most notably those (1) with a model year of 2015 or earlier, (2) less than 19.5 feet in length unless they are motor boats, or (3) covered by federal documentation or a foreign country's registry.

The bill makes a certificate of title *prima facie* evidence of ownership, sets rules for perfecting security interests on certificates and indicating transfers of interests in vessels, establishes penalties for fraudulent acts related to certificates, and requires DMV to maintain certain information in indexed files for public searches. The bill also allows DMV to adopt regulations to implement the bill's provisions but requires regulations for certain subjects.

The bill also establishes the fees DMV can charge for certificate filings and searches. It sets higher fees for the first three years after the bill takes effect and then cuts the fees in half beginning January 1, 2018.

EFFECTIVE DATE: January 1, 2015

**§§ 1 AND 5-6 — CERTIFICATE REQUIREMENT**

The bill requires the owner of certain vessels principally used in



Connecticut to apply to DMV, with the appropriate fee, for a certificate of title within 20 days after the later of (1) transferring ownership or (2) Connecticut becoming the state on whose waters the vessel is or will be used, operated, navigated, or employed more than on the waters of any other state during a calendar year (i.e., state of principal use).

Under the bill, a vessel becomes covered by a certificate of title when an application and fee are delivered to (1) DMV or (2) the agency that creates a certificate in another jurisdiction. The law of the jurisdiction of the vessel's certificate of title governs all issues relating to the certificate from the time the certificate covers the vessel until it (1) is covered by another certificate or (2) becomes a documented vessel. This applies even if there is no relationship between the jurisdiction and the vessel or its owner.

***Vessels Excluded from the Certificate Requirement***

The bill prohibits issuing a certificate of title for a:

1. vessel designated by the manufacturer as having a model year of 2015 or earlier;
2. vessel, other than a motor boat, that is less than 19.5 feet in length;
3. vessel propelled solely by paddle or oar;
4. seaplane on water;
5. documented vessel (a vessel covered by a certificate of documentation issued by the U.S. Coast Guard under federal law, which applies to some large vessels and those owned by a federal entity);
6. foreign-documented vessel (a vessel recorded in another country's registry that identifies ownership interests and includes a unique alphanumeric designation for the vessel);
7. barge;

8. amphibious vehicle covered by a motor vehicle certificate of title in this or another state;
9. vessel operating only on a permanently fixed, manufactured course with movement restricted to or guided by a mechanical device that is attached to or controls the watercraft;
10. vessel owned by the United States, a foreign government, a state, or a political subdivision and used for government functions;
11. lifeboat on another watercraft;
12. vessel before delivery if it is under construction or completed under a contract;
13. vessel held by a dealer for sale or lease;
14. stationary floating structure that (a) does not have and is not designed to have its own propulsion; (b) needs a continuous hookup to shore for utilities; and (c) does not have sewage facilities or has a permanent, continuous hookup to shore for sewage; or
15. vessel manufactured or assembled before January 1, 2016, for which the manufacturer or assembler has not designated a model year, but such a vessel can receive a certificate of title under the following circumstances unless another exclusion applies: (a) another state had issued a certificate when Connecticut became the state of principal use or (b) Connecticut is the state of principal use and the vessel was a documented or foreign documented vessel but no longer is.

## **§ 7 — CERTIFICATE APPLICATION REQUIREMENTS**

With exceptions specified in the bill, only an owner can apply for a certificate of title. The owner must file and sign an application form approved by the DMV commissioner, containing:

1. the applicant's name, principal residential street address, and, if different, mailing address;
2. the name and mailing address of each other owner of the vessel;
3. the vessel's hull identification number or an application to the Department of Energy and Environmental Protection for one;
4. the vessel number or an application for one (existing law requires owners to register most vessels and obtain vessel registration numbers from DMV);
5. a description of the vessel as required by DMV, including (a) any official number assigned by the U.S. Coast Guard; (b) the manufacturer's, builder's, or maker's name; (c) the vessel's model year or the year its construction was completed; and (d) the vessel's overall length, type, hull material, propulsion type, engine drive type, and fuel type;
6. all security interests in the vessel known to the applicant and the secured parties' names and mailing addresses;
7. a statement that the vessel is not a documented or foreign-documented vessel;
8. any title brand (a designation of previous damage, use, or condition described in a certificate from another state) known to the applicant and the jurisdiction that created it;
9. if the application is made because of a transfer of ownership, the transferor's name, street address and, if different, mailing address, sales price, if any, and transfer date;
10. if the vessel previously was registered or titled in another jurisdiction, a statement identifying each jurisdiction known to the applicant where it was registered or titled; and
11. any further information the DMV commissioner reasonably requires to identify the vessel and determine whether the owner

is entitled to a certificate and the existence or nonexistence of security interests.

The bill allows an application for a certificate of title to contain the owner's, transferor's, or secured party's email address.

With specific exceptions, the bill also requires the application to include a certificate of title signed by the owner shown on the certificate that (1) identifies the applicant as the owner or (2) is accompanied by a record that identifies the applicant as the owner. When there is no certificate of title, the owner must submit:

1. if the vessel was a federally-documented vessel, a U.S. Coast Guard record showing the (a) vessel is no longer a documented vessel and (b) applicant is the owner;
2. if the vessel was a foreign-documented vessel, a record from the foreign country showing the (a) vessel is no longer a foreign-documented vessel and (b) applicant is the owner; or
3. in all other cases, a certificate of origin (a record created by a manufacturer or importer as proof of a vessel's identity, other than a builder's certificate), bill of sale, or other record that, to DMV's satisfaction, identifies the applicant as the owner.

The bill makes a record submitted in connection with an application part of the application and requires DMV to keep the record in its files.

Under the bill, DMV may also require payment or evidence of payment of any or all fees and taxes payable by the applicant under state law, other than fees paid in connection with the application or the acquisition or use of the vessel.

## **§ 8 — CREATION, REJECTION, OR CANCELLATION OF A CERTIFICATE**

The bill requires DMV to create a certificate for a vessel after delivery of an application that satisfies the bill's requirements. But it can reject an application if:

1. it does not comply with the bill or state law,
2. it does not contain sufficient documentation to determine whether the applicant is entitled to a certificate,
3. there is a reasonable basis to conclude that the application is fraudulent or issuing a certificate would facilitate fraud or an illegal act, or
4. the vessel is a documented or a foreign-documented vessel.

The bill allows DMV to cancel (make ineffective) a certificate it created if DMV:

1. could have rejected the application under the bill's requirements,
2. must cancel it under the bill's provisions, or
3. receives satisfactory evidence that the vessel is a documented or foreign-documented vessel.

#### **§§ 9 & 29 — CONTENTS OF CERTIFICATE**

The bill requires a certificate of title to contain:

1. the date it was created;
2. the owner of record's name and mailing address and, if not all owners are listed, an indication that there are additional owners in DMV's files;
3. the hull identification number;
4. a description of the vessel including the information the owner must submit in the application;
5. except as otherwise provided in the bill, the name and mailing address of the secured party of record and, if there are unlisted secured parties, an indication that there are other security interests in DMV's files;

6. all title brands indicated in DMV files including those from a certificate created by another jurisdiction that was delivered to DMV (the certificate must state the jurisdiction that created the title brand or the certificate containing it and, if the title brand's meaning is not readily ascertainable or it cannot be accommodated, state "previously branded in (name of jurisdiction)"); and
7. other data the DMV commissioner requires.

The bill permits DMV to note on a certificate the name and mailing address of a secured party that is not a secured party of record.

If DMV's files indicate that a vessel was previously registered or titled in a foreign country, DMV must indicate on the certificate that the vessel was registered or titled in that country.

The bill requires a written certificate of title to contain a form that (1) allows all owners indicated on the certificate to sign to consent to a transfer of an ownership interest and (2) includes a certification, signed under penalty of false statement, that the statements made are true and correct to the best of each owner's knowledge, information, and belief.

The bill specifies that the information required under this provision is a public record unless the law provides otherwise (§ 21(e)).

### ***Required Statement***

The bill requires a certificate of title to state that the vessel may be subject to security interests not shown on the certificate when (1) Connecticut becomes the vessel's state of principal use in place of another state, (2) the vessel was not a documented or foreign-documented vessel immediately before the certificate application, and (3) the vessel's immediately previous state of principal use did not issue or does not require a certificate of title for the vessel.

### **§§ 8 & 11 — WRITTEN OR ELECTRONIC CERTIFICATES**

The bill imposes the following rules on creating written or electronic

certificates.

1. If DMV creates electronic certificates of title, it can only issue a written one if requested in an application by the (1) secured party of record (the secured party indicated in DMV's files or the first secured party indicated if there is more than one) or (2) if none, the owner of record (the owner indicated in DMV's files or the first owner indicated if there is more than one).
2. DMV must send a written certificate to the secured party of record or, if none, the owner of record, at the person's address in DMV's files.
3. DMV must send a record evidencing an electronic certificate to the owner of record and, if there is one, the secured party of record, at the person's mailing address or, if indicated, electronic address.
4. Creating a written certificate cancels an electronic certificate and DMV must maintain the date and time of cancellation in its files.
5. A person holding a written certificate must surrender it to DMV before DMV can create an electronic certificate.
6. If DMV creates an electronic certificate, it must destroy or cancel the surrendered written certificate and maintain the date and time of destruction or cancellation in its files. If a written certificate is not destroyed, DMV must indicate on the certificate's face that it has been canceled.

## **§ 12 — CERTIFICATE AS EVIDENCE OF OWNERSHIP**

The bill makes a certificate of title prima facie evidence of the accuracy of the information in it and a certified copy of it is prima facie evidence of ownership in a criminal proceeding.

## **§ 17 — INACCURATE OR INCOMPLETE INFORMATION**

A certificate of title or other record required or authorized by the bill is effective even if it contains incorrect information or does not

contain required information, subject to the law regarding priority of security interests in goods covered by a certificate of title.

## **§ 21 — REPLACEMENT CERTIFICATES**

When a written certificate of title is lost, stolen, mutilated, destroyed, or becomes unavailable or illegible, the bill allows the secured party of record or, if there is none in DMV's files, the owner of record, to apply for a replacement certificate. The application must be signed and, except as otherwise permitted by DMV, meet the requirements for an original application. The application must include the existing certificate unless it is unavailable.

The bill requires a replacement certificate to contain the same information as an original certificate with an indication that it is a replacement certificate. If a person receiving a replacement certificate subsequently obtains the original written certificate, he or she must destroy the original.

## **§§ 10 & 33 — DOCUMENTS AND INFORMATION IN DMV FILES**

For each record relating to a certificate of title, the bill requires DMV to maintain (1) the hull identification number and (2) all the information submitted with the application to which the record relates, including the date and time the record was delivered to DMV. DMV must maintain the files for public inspection and index them.

DMV must maintain in its files (1) the information contained in all certificates it creates, searchable by the vessel's number and hull identification number, owner of record's name, and any other method DMV uses; (2) all title brands and names of secured parties and people claiming an ownership interest that DMV knows about; and (3) all stolen-property reports received.

The bill requires DMV to give federal, state, or local governments the information in its files relating to any vessel for which it issued a certificate, on request, for safety, security, or law-enforcement purposes.



The bill makes information in a certificate of title a public record and allows DMV to disclose records related to vessels and their certificates of title. The law otherwise restricts DMV from disclosing personal information or permitting inspection of motor vehicle records containing personal information.

#### **§ 24 — DMV RETENTION OF EVIDENCE AND INFORMATION**

The bill requires DMV to retain:

1. the evidence used to determine the accuracy of information in its files relating to the current ownership of a vessel and the information on the certificate of title and
2. all information received regarding a security interest in a vessel for at least 10 years after receiving a termination statement for the security interest, with the information accessible by hull identification number and other methods the department uses.

#### **§ 24 — REQUESTS TO DMV FOR INFORMATION**

The bill requires DMV to send or make available in a record certain information to anyone that requests it and pays all applicable fees. Generally, DMV must disclose whether its files include a certificate of title, security interest, or termination statement for a vessel identified by a hull identification or vessel number or owner. The information must be as of a date specified by DMV, but no more than 10 calendar days before receiving the request. For a request related to a vessel, DMV must provide:

1. the name and address of any owner or secured party in the files or on the certificate of title, the effective date of information related to a secured party, and a copy of any termination statement in the files and its effective date and
2. a copy of any vessel certificate of origin, secured party transfer statement, transfer-by-law statement, and other evidence of previous or current transfers of ownership.

The bill allows DMV to provide requested information in any medium but, on request and payment of fees, in a written document.

### ***Acknowledgment of Submissions***

The bill allows a person who submits a record or information to DMV to request an acknowledgment of the submission. DMV must send an acknowledgment showing the (1) hull identification number of the vessel to which the record or submission relates, (2) information in the filed record or submission, and (3) date and time the record was received or the submission accepted. The request must contain the hull identification number and be delivered by DMV-authorized means.

### **§§ 28-29 — DMV FEES**

The bill sets various DMV fees and charges higher fees for the first three years after the bill's effective date. After three years, the fees are cut in half. Table 1 displays the fees created by the bill.

**Table 2: DMV Fees Created by the Bill**

<i>Document or Service</i>	<i>Fee from January 1, 2015 to January 1, 2018</i>	<i>Fee on and after January 1, 2018</i>
Application for certificate of title	\$50	\$25
Security interest or assignment of one noted on a certificate or maintained in the electronic title file	\$20	\$10
Record copy search	\$40	\$20
Application for a duplicate certificate (but a fee for the duplicate certificate is not required)	\$50	\$25
Filing (1) notice of a security interest, (2) assignment of a security interest, or (3) termination statement relating to a security interest	\$20	\$10
Filing (1) secured party's transfer	\$50	\$25

statement or (2) transfer-by-law statement		
Filing application for transfer of ownership or termination of a security interest without a certificate of title	\$50	\$25
Certificate of search of DMV records, for each name or hull identification number searched	\$40	\$20
Search of a vessel certificate of title record, when requested by someone other than the vessel's owner of record	\$40	\$20
Certified copy of any document, information, or record maintained or created by DMV	\$40	\$20

The bill requires DMV to collect a penalty equal to the amount of the required fee if an application, certificate, or other document which the bill requires to be mailed or delivered to DMV is not delivered to DMV within 10 days of when it must be mailed or delivered.

### **§§ 29-31 — DMV PROCEEDINGS, RULES, AND REGULATIONS**

The bill requires the DMV commissioner to prescribe and provide suitable forms for applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the bill's provisions.

To carry out the bill's provisions, the commissioner can (1) conduct necessary investigations to procure required information and (2) adopt and enforce reasonable rules.

The bill requires the commissioner to adopt regulations about including title brands on certificates of title. The commissioner must consider whether special branding categories like "hull damaged" should be included.

The bill allows the commissioner to adopt regulations to (1) implement the bill's provisions and (2) place additional indications on a certificate concerning the condition or status of a vessel's title.

These regulations must provide an opportunity for a hearing for anyone aggrieved by any DMV action, omission, or decision. Under the bill, anyone aggrieved by a DMV action, omission, or decision (1) is entitled to an administrative hearing on request and (2) can appeal to the Superior Court in the judicial district of New Britain after completing the administrative proceedings.

### **§§ 2 & 14 — SECURITY INTERESTS IN VESSELS**

By law, a creditor's interest (a "security interest") can attach to the debtor's property. A secured party who "perfects" his or her security interest has priority over other parties, such as a creditor who gets a judicial lien, bankruptcy trustee, and others who later take a security interest in the collateral.

Under the bill, a security interest in a vessel is generally the same as for other secured transactions. The bill specifies that it does not include the special property interest of a buyer of a vessel on identification of that vessel to a contract for sale but the buyer may also acquire a security interest by complying with the secured transaction laws. Except as provided in other law, the bill provides that a seller's or lessor's rights under the Uniform Commercial Code to retain or acquire possession of the vessel is not a security interest, but they may acquire a security interest by complying with the secured transactions law. The retention or reservation of title by a seller of a vessel notwithstanding shipment or delivery to the buyer under the Uniform Commercial Code's provisions is limited to a reservation of a security interest.

Under current law, a security interest in a vessel is usually perfected by filing a financing statement in the secretary of the state's office. The bill instead requires filing an application with DMV (1) for a certificate of title or (2) to add a security interest to a certificate already created by

DMV.

For an application for a certificate of title, the bill specifies that identifying someone as owner, lessor, consignor, or bailor alone does not make someone a secured party.

When a DMV-issued certificate of title already exists, the bill allows DMV to set the application form for perfecting an interest but requires it to include the owner's or secured party's signature and the:

1. owner of record's name;
2. secured party's name and mailing address;
3. vessel's hull identification number; and
4. certificate, if DMV created a written one.

### ***When Security Interest Perfected***

Under the bill, perfection occurs on the later of the application's delivery and payment of applicable fees to DMV or attachment of the security interest under the law on secured transactions.

### ***New Certificate***

On delivery of an application and payment of applicable fees, the bill requires DMV to create a new certificate and deliver it in the same way it creates an original certificate. DMV must maintain in its files the date and time of an application's delivery to the department.

### ***Assignment***

Under the bill, if a secured party assigns a perfected security interest in a vessel, DMV need not receive a statement providing the assignee's name as a secured party to continue the perfected status of the security interest against creditors of, and transferees from, the original debtor. But a purchaser who obtains a release from the secured party indicated in the DMV files or on the certificate takes free of a transferee's security interest and rights unless the transfer is indicated in DMV's files or on the certificate.

**Exceptions from the Security Interest Requirements**

The bill excludes from these provisions security interests in a vessel:

1. that is inventory held for sale or lease by the person creating the interest;
2. that is leased by the person as lessor if the person is in the business of selling vessels;
3. for which a certificate of title is not permitted; or
4. before delivery if the vessel is under construction, or completed, pursuant to contract and for which no application for a certificate has been delivered to DMV.

**Other Provisions**

The bill preserves perfection of a security interest for four months or until it is perfected under the bill, whichever is sooner, when (1) a certificate of documentation for a documented vessel is deleted or canceled and (2) a security interest in the vessel was valid immediately before deletion or cancellation against a third party as a result of compliance with federal law.

For certain types of security interests in a vessel, the bill specifies that the interest is perfected on attachment but becomes unperfected when the debtor possesses the vessel, unless the security interest is perfected under the bill. This applies to Uniform Commercial Code provisions governing reservations of security interests after passage of title or a seller's shipment of goods and a buyer's or lessee's security interest on rejection of goods.

The bill requires provisions of other secured transactions law to apply to security interests (1) in a vessel as proceeds of other collateral or (2) perfected under the law of another jurisdiction.

**§ 15 — TERMINATION STATEMENT BY SECURED PARTY**

Under the bill, a security interest ceases to be perfected when a termination statement authorized by the secured party is delivered to

DMV. The bill sets the following rules for these termination statements.

1. A secured party must deliver a termination statement on a DMV-prescribed form and, on the debtor's request, to the debtor within (a) 20 days after receiving a signed demand for a termination statement from an owner, when there is no obligation secured by the vessel and no commitment to make advances, incur obligations, or give value secured by the vessel or (b) if the vessel is a consumer good, 30 days after there is no obligation secured by the vessel and no commitment to make advances, incur obligations, or give value secured by the vessel.
2. When a termination statement is required and the secured party has a DMV-issued written certificate of title, the secured party must deliver the certificate to the debtor or DMV with the statement. If the certificate is lost, stolen, mutilated, destroyed, unavailable, or illegible, the bill requires the secured party to deliver with the statement an application for a replacement certificate.
3. If the security interest was indicated on the certificate of title, DMV must create a new certificate and deliver it or a record evidencing an electronic certificate. DMV must maintain in its files the date and time the statement was delivered.
4. A secured party who does not comply with these requirements is liable for (a) any loss that the secured party had reason to know might result from failure to comply and that could not reasonably have been prevented and (b) the cost of an application for a certificate of title.

The bill allows the DMV commissioner to require a secured party to submit a termination statement electronically.

## **§ 27 — SECURITY INTERESTS CREATED BEFORE THE BILL'S EFFECTIVE DATE**

A security interest enforceable before January 1, 2015 (the date this provision of the bill takes effect) that has priority over the rights of someone who becomes a lien creditor at that time is a perfected security interest under the bill. Under the bill, a “lien creditor” is a creditor with a lien on the vessel by attachment, levy, or similar means; an assignee for benefit of creditors from the time of assignment; a trustee in bankruptcy from the date of the filing of the petition; or a receiver in equity from the time of appointment.

A security interest in a vessel that is required to have a certificate of title under the bill that is perfected before January 1, 2015 remains perfected until (1) the time perfection would end under the law that the perfection was created or (2) January 1, 2018, whichever is earlier.

The bill does not affect the priority of a security interest that was enforceable and perfected and had its priority established before January 1, 2015.

### **§ 23 — RIGHTS OF SECURED PARTIES**

The bill provides that perfection, nonperfection, and priority of a security interest with respect to a purchaser’s or creditor’s rights, including a lien creditor, are governed by the Uniform Commercial Code with the following exception.

If a security interest in a vessel is perfected under the bill’s provisions and DMV creates a certificate of title that does not indicate that the vessel is subject to the security interest or contain a statement that it may be subject to security interests not indicated on the certificate:

1. a buyer of the vessel, other than a person in the business of selling or leasing vessels of that kind, takes free of the security interest if the buyer, acting in good faith and without knowledge of the security interest, gives value and receives possession of the vessel and
2. the security interest is subordinate to a conflicting security



interest in the vessel perfected under the bill's provisions after creation of the certificate and without the conflicting secured party's knowledge of the security interest.

## **§§ 16 AND 18-20 — TRANSFERS**

### ***Voluntary Transfer of Ownership Interest (§ 27)***

The bill sets the following rules for voluntarily transferring an ownership interest in a vessel covered by a certificate of title.

1. If the certificate of title is written and notes the transferor's interest, the transferor must sign it and deliver it to the transferee. If the transferor does not possess the certificate, the person who does must help the transferor comply with this requirement. A secured party does not have a duty to do so if the security agreement prohibits the proposed transfer.
2. If the certificate of title is electronic, the transferor must sign and deliver to the transferee a record showing the transfer of ownership.
3. The transferee can require the transferor to perform these duties to meet these requirements.

Creating a certificate of title that identifies the transferee as the owner of record satisfies the bill's requirements.

Failing to comply with these provisions or apply for a new certificate does not make the transfer ineffective. But, except as otherwise provided by the bill, a transfer that does not comply with these provisions is not effective against another person claiming an interest in the vessel.

The bill provides that a transferor who complies with these provisions is not liable as an owner for events occurring after the transfer, regardless of whether the transferee applies for a new certificate of title.

### ***Secured Party's Transfer Statement (§ 18)***

The bill allows a secured party to file a “secured party’s transfer statement” with DMV when the secured party of record (the first secured party indicated in DMV’s files) has a right to transfer ownership in the vessel due to default on an obligation.

Under the bill, the secured party must sign the statement which indicates:

1. there has been a default on an obligation to the secured party of record secured by the vessel;
2. the secured party of record is exercising or has exercised post-default remedies with respect to the vessel and, as a result, the secured party of record has the right to transfer an owner’s interest (and must state the owner’s name);
3. the name and last-known mailing address of the owner of record and the secured party of record;
4. the transferee’s name;
5. other information that the bill requires in an application for a certificate; and
6. either the (a) certificate of title is electronic or (b) the secured party is delivering the written certificate of title to DMV with the transfer statement or does not possess the written certificate created in the owner of record’s name.

After delivery of the statement, fees, and taxes to DMV (other than fees connected with the statement or the acquisition or use of the vessel), the bill requires DMV to:

1. accept the statement;
2. amend its files to reflect the transfer; and
3. if the name of the owner whose ownership interest is being transferred is indicated on the certificate of title, (a) cancel the

certificate even if it has not been delivered to DMV, (b) create a new certificate with the transferee as owner, and (c) deliver the new certificate or a record evidencing an electronic certificate.

The bill allows DMV to reject a secured party's transfer statement if (1) the application does not comply with the bill's or existing law's requirements, (2) the application lacks information to determine the applicant is entitled to a certificate, or (3) there is a reasonable basis to conclude that the application is fraudulent or issuance would facilitate fraud or illegal acts.

An application for creation of a certificate of title under these provisions does not dispose of the vessel or relieve the secured party of its duties under the law on secured transactions.

***Transfer by Operation of Law (§ 19)***

The bill allows a transferee to sign a "transfer-by-law statement" stating that he or she has acquired or has the right to acquire an ownership interest in a vessel pursuant to law or judicial order (1) because of death, divorce, or other family law proceeding, merger, consolidation, dissolution, or bankruptcy; (2) by exercising the rights of a lien creditor or a person having a lien created by statute or rule of law; or (3) through some other legal process.

Under the bill, the statement must contain:

1. the name and last known mailing address of the owner of record and transferee and other information required in an application for a certificate;
2. documentation sufficient to establish the transferee's ownership interest or right to acquire the ownership interest;
3. a statement that the (a) certificate of title is electronic or (b) transferee is delivering the written certificate to DMV with the statement or does not possess the written certificate created in the name of the owner of record; and

4. except for transfers because of death, divorce, or other family law proceeding, merger, consolidation, dissolution, or bankruptcy, evidence that notification of the transfer and the intent to file the transfer-by-law statement has been sent to all people indicated in the department's files as having an interest, including a security interest, in the vessel.

The bill requires DMV to accept the statement after delivery and payment of fees and taxes, except for those under the bill. DMV must:

1. amend its files to reflect the transfer and
2. if the name of the owner whose interest is being transferred is indicated on the certificate of title, (a) cancel the certificate even if the certificate has not been delivered to the department; (b) create a new certificate indicating the transferee as owner; (c) indicate on the new certificate any security interest indicated on the canceled certificate, unless a court order provides otherwise; and (d) deliver the new certificate or a record evidencing an electronic certificate.

The bill allows DMV to reject a transfer-by-law statement for the same reasons it may reject a secured party's transfer statement or if the statement does not include satisfactory documentation as to the transferee's ownership interest or right to acquire the ownership interest.

The bill specifies that these provisions do not apply to a transfer of an interest in a vessel by a secured party on default.

***Application for Transfer of Ownership or Termination of Security Interest Without Certificate (§ 20)***

If DMV receives an application for a new certificate due to transfer of ownership or a termination statement from a secured party, without a signed certificate, the bill allows DMV to create a new certificate if the:

1. bill's requirements for creating a certificate are met;

2. applicant provides an affidavit showing he or she is entitled to a transfer of ownership or termination statement;
3. (a) applicant provides satisfactory evidence in a DMV-prescribed form that notification of the application has been sent to the owner of record and all people indicated in DMV's files as having an interest in the vessel, (b) at least 45 days have passed since notice was sent, and (c) DMV has not received an objection; and
4. applicant submits any other information DMV requires as evidence of ownership or the right to terminate a security interest and there is no credible information of theft, fraud, or an undisclosed or unsatisfied security interest, lien, or other claim to an interest in the vessel.

The bill requires DMV to indicate on a new certificate that it was created without having a signed certificate or termination statement. If DMV does not receive credible information of theft, fraud, or an undisclosed or unsatisfied claim within one year after creation of the certificate, it must remove the indication from the certificate on request.

Before creating a certificate for a vessel with a value of at least \$5,000, the bill allows DMV to require the applicant to post a bond or provide an indemnity or security equal to twice the vessel's value. The bond, indemnity, or security must be in a form required by DMV and provide for indemnification of any owner, purchaser, or claimant for any expense, loss, delay, or damage. This includes reasonable attorney's fees and costs but not incidental or consequential damages resulting from creation or amendment of the certificate.

If DMV does not receive a claim within one year of creating a certificate, the bill requires it to release any bond, indemnity, or security on request in a form and manner it requires.

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**§§ 3-4, 13, AND 25-27 — APPLICATION OF THE BILL'S PROVISIONS**

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The bill provides the following rules for application of its provisions.

1. The bill's provisions apply to any transaction, certificate of title, or record relating to a vessel, even if the transaction was entered into or the document created before January 1, 2015.
2. The rights, duties, and interests from a transaction, certificate of title, or record relating to a vessel that was validly entered into or created before January 1, 2015 that would have been subject to the bill's provisions, remain valid.
3. The bill does not affect an action or proceeding begun before January 1, 2015.
4. Unless the bill's provisions provide otherwise, the principals of law and equity supplement them.

The bill specifies that:

1. possession of a certificate of title does not by itself provide a right to obtain possession of a vessel;
2. garnishment, attachment, levy, replevin, or other judicial process against the certificate is not effective to determine possessory rights to the vessel;
3. it does not prohibit enforcement under other law of a security interest in, levy on, or foreclosure of a statutory or common law lien on a vessel; and
4. absence of an indication of a statutory or common law lien on a certificate does not invalidate the lien.

In applying and construing the bill's provisions, the bill requires consideration of the need to promote uniformity with respect to its subject matter among states that have enacted the uniform provisions.

The bill provides that it modifies, limits, and supersedes the federal

Electronic Signatures in Global and National Commerce (E-SIGN) Act. But they do not (1) modify, limit, or supersede E-SIGN's provisions on consumer disclosures (such as when consumers are considered to have consented to electronic disclosures) or (2) authorize electronic delivery of specified notices that are not subject to E-SIGN (see BACKGROUND).

## **§ 22 — BUYERS IN THE ORDINARY COURSE OF BUSINESS**

A buyer in the ordinary course of business has certain protections in the Uniform Commercial Code even if (1) an existing certificate of title was not signed and delivered to the buyer or (2) a new certificate listing the buyer as owner of record was not created. The protections concern (1) goods entrusted to a merchant with power to transfer rights to a buyer in the ordinary course and (2) buyers in the ordinary course generally taking free of a security interest created by the seller even if the security interest is perfected and the buyer knows about it.

Except as otherwise provided in the bill, the bill specifies that the rights of a vessel's purchaser, who is not a buyer in the ordinary course of business or a lien creditor, are governed by the Uniform Commercial Code.

## **§ 32 — PENALTIES FOR FRAUD**

The bill punishes, with one to five years in prison, a fine of \$500 to \$1,000, or both, anyone who, with fraudulent intent:

1. alters, forges, or counterfeits a certificate of title;
2. alters or forges an assignment of a certificate of title or an assignment or release of a security interest or a termination statement, on a certificate of title or DMV form;
3. possesses or uses a certificate of title knowing it is altered, forged, or counterfeited; or
4. uses a false or fictitious name or address, makes a material false statement, fails to disclose a security interest, or conceals any

other material fact in an application for a certificate of title.

The bill punishes, with up to two years in prison, a fine of up to \$1,000, or both, anyone who:

1. with fraudulent intent, permits someone who is not entitled to do so to use or possess a certificate of title;
2. willfully fails to mail or deliver a certificate of title or application to DMV within 10 days after the time required by the bill;
3. willfully fails to deliver to a transferee a certificate of title within 10 days after the time required by the bill; or
4. willfully violates any of the bill's provisions where the bill does not provide a criminal penalty.

## **BACKGROUND**

### ***E-SIGN***

The federal Electronic Signatures in Global and National Commerce Act (E-SIGN) (15 USC § 7001 et seq.) validates the use of electronic records and signatures. Connecticut has also enacted the Connecticut Uniform Electronic Transactions Act (CUETA) (CGS §§ 1-266 to -286), which also validates the use of such records and signatures. The two overlap significantly, although they are not identical. For example, E-SIGN applies only to interstate transactions, not intrastate transactions. CUETA provides that it supersedes, modifies, and limits the federal law except for E-SIGN's consumer disclosure provisions (CGS §§ 1-286).

The federal E-SIGN law specifies that the following notices are not subject to it:

1. court orders or notices, or official court documents required to be executed in connection with court proceedings;
2. utility cancellation or termination notices;



3. notices of eviction, foreclosure, repossession, acceleration, default, or the right to cure, under a rental agreement or a credit agreement secured by someone's primary residence;
4. notices that life insurance benefits, health insurance, or health insurance benefits are being cancelled or terminated, other than with respect to annuities;
5. notices of the recall or material failure of products that could endanger health or safety; and
6. documents required for transporting or handling hazardous material, pesticides, or other toxic or dangerous material (15 USC § 7003(b)).

**COMMITTEE ACTION**

Judiciary Committee

Joint Favorable

Yea 40      Nay 0      (03/13/2013)